

In our changing global economy, every American needs access to quality schools and advanced skills to succeed in our rapidly changing economy. In order for our American business to grow, we need workers to be more innovative and more productive than those of our competitors. My legislation will help cities provide additional resources to improve educational programs, modernize and rebuild crumbling schools, reduce class size, improve special education and help pay teachers.

Our Nation is facing an affordable housing crisis. Recent changes in the housing market have limited the availability of affordable rental housing across the country and have dramatically increased the cost of those that remain. In 2001, more than 14 million families spent over half of their income on housing. This bill will provide funding so that states and cities produce housing for working families.

We must show the same commitment to rebuilding Main Street as we have shown in rebuilding Iraq. American citizens deserve access to the same benefits and services we are so nobly providing to the people of Iraq. The American Parity Act will help States and cities cope with their current fiscal crisis and help ease potential cuts in programs critical to the most vulnerable in our Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was order to be printed in the RECORD, as follows:

S. 1838

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. FINDINGS.

The Congress finds the following:

- (1) The President has proposed a multibillion dollar reconstruction project for Iraq.
- (2) The President's plan includes resources to rebuild potable water and wastewater treatment facilities; schools and health facilities; ports and airports; the electric power system, roads, and bridges; railroad infrastructure; solid waste management services; irrigation systems; and selected local government buildings.
- (3) State and local governments in the United States have their own unmet infrastructure and social services needs.
- (4) State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity.
- (5) Present national economic problems have imposed considerable hardships on State and local government budgets.
- (6) Those governments, because of their own fiscal difficulties, are being forced to take budget-related actions which tend to undermine Federal Government efforts to stimulate the economy.
- (7) Efforts to stimulate the economy through reductions in Federal Government tax obligations or increased spending on Federal programs are weakened when State and local governments are forced to increase taxes or cut spending.
- (8) Efforts by the Federal Government to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to

State and local governments to help prevent those governments from taking budget-related actions which undermine the Federal Government efforts to stimulate economic recovery.

(9) State and local governments deserve, at a minimum, the same level of Federal investment to address infrastructure and social services shortfalls as the amount of relief and reconstruction funds provided to Iraq.

#### SEC. 2. FINANCIAL ASSISTANCE AUTHORIZED.

(a) PAYMENTS TO STATE AND LOCAL GOVERNMENTS.—The Secretary of the Treasury shall, in accordance with the provisions of this Act, make payments to States and local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

(b) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to the Secretary of the Treasury for fiscal year 2003 for payments under this Act an amount equal to at least the total amount appropriated for fiscal year 2003 under the heading "Iraq Relief and Reconstruction Fund" in the Emergency Wartime Supplemental Appropriations Act, 2003, and any amounts appropriated for such Fund in any subsequent appropriation Act. Such amounts shall be in addition to, and not in lieu of, other amounts appropriated for payments to States and local governments.

(c) AVAILABILITY TO LOCAL GOVERNMENTS.—Not less than one-third of the amount appropriated pursuant to the authorization in subsection (b) shall be made available to local governments under the applicable laws of a given State.

#### SEC. 3. ALLOCATION.

The Secretary of the Treasury shall establish a formula, within 30 days after the date of the enactment of this Act, for determining the allocation of payments under this Act. The formula shall give priority weight to the following factors:

- (1) The unemployment rate in relation to the national average unemployment rate.
- (2) The duration of the unemployment rate above such average.
- (3) Median income.
- (4) Population.
- (5) The poverty rate.

#### SEC. 4. USE OF FUNDS BY STATE AND LOCAL GOVERNMENTS.

(a) IN GENERAL.—Funds received under this Act may be used only for priority expenditures. For purposes of this Act, the term "priority expenditures" means only—

- (1) ordinary and necessary maintenance and operating expenses for—
  - (A) primary, secondary, or higher education, including school building renovation;
  - (B) public safety;
  - (C) public health, including hospitals and public health laboratories;
  - (D) social services for the disadvantaged or aged;
  - (E) roads, transportation, and water infrastructure; and
  - (F) housing; and
- (2) ordinary and necessary capital expenditures authorized by law.

(b) CERTIFICATIONS BY STATE AND LOCAL GOVERNMENTS.—The Secretary of the Treasury may accept a certification by the chief executive officer of a State or local government that the State or local government has used the funds received by it under this Act only for priority expenditures, unless the Secretary determines that such certification is not sufficiently reliable to enable the Secretary to carry out this Act. The Secretary shall prescribe by rule the time and manner in which the certification must be filed.

#### SUBMITTED RESOLUTIONS

SENATE RESOLUTION 260—EXPRESSING THE SENSE OF THE SENATE THAT THE SECRETARY OF HEALTH AND HUMAN SERVICES SHOULD TAKE ACTION TO REMOVE DIETARY SUPPLEMENTS CONTAINING EPHEDRINE ALKALOIDS FROM THE MARKET

Mr. DURBIN (for himself and Mr. MCCAIN) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 260

Whereas, a RAND Corporation study commissioned by the Department of Health and Human Services found no evidence for long-term efficacy of ephedrine alkaloids for weight loss and that there is no credible science showing that ephedrine or dietary supplements containing ephedrine alkaloids, as those products are used by the general population, improve athletic performance;

Whereas ephedrine alkaloids can—

- (1) increase heart rate and blood pressure;
  - (2) stimulate the central nervous system;
- and

- (3) lead to strokes, seizures, psychosis, cardiac arrhythmia, heart attacks, and deaths;

Whereas the Food and Drug Administration has received approximately 16,500 adverse events reports for consumers who have used dietary supplements containing ephedrine alkaloids, including approximately 155 reports of death;

Whereas the Inspector General of the Department of Health and Human Services has noted with concern that about 60 percent of persons suffering adverse events related to the use of dietary supplements containing ephedrine alkaloids are under the age of 40;

Whereas a study published in the Journal of Neurology found that there may be an association between the use of more than 32 milligrams per day of ephedra and an increased risk of hemorrhagic stroke, but the daily dose recommended by the dietary supplement industry is about 3 times that much;

Whereas a study published in Mayo Clinical Proceedings found that in 36 out of 37 serious cardiovascular events associated with ephedrine alkaloids examined, the patient had consumed doses of a dietary supplement containing ephedrine alkaloids at or below the dose recommended by the manufacturer;

Whereas a study commissioned by the Food and Drug Administration to review reports of ephedrine alkaloid-related adverse events (including serious adverse events such as seizures, strokes, and death), which resulted in publication in the New England Journal of Medicine of an article in 2000, found that 31 percent of the reports were definitely or probably related to ephedrine alkaloid use and an additional 31 percent were possibly related to ephedrine alkaloid use;

Whereas a study published in the Annals of Internal Medicine concluded that—

- (1) the risk for an adverse reaction after the use of ephedra is substantially greater than with other herbal products; and

- (2) the sale of ephedra as a dietary supplement should be restricted or banned to prevent serious adverse reactions in the general population;

Whereas approximately 30 members of the United States Army have died after taking a dietary supplement containing ephedrine alkaloids, and the Department of Defense has banned the sale of dietary supplements

containing ephedrine alkaloids from military commissaries worldwide because of safety concerns;

Whereas the American Medical Association has called on the Secretary of Health and Human Services to ban the sale of dietary supplements containing ephedrine alkaloids;

Whereas the National Football League, the International Federation of Football Associations, the National Collegiate Athletics Association, the Commissioner of the National Association of Baseball with regard to the Minor Leagues, Major League Soccer, the National Basketball Association, and the International Olympics Committee have banned the use of ephedrine alkaloids by their athletes;

Whereas 3 States, representing 65,000,000 Americans, have banned dietary supplements containing ephedrine alkaloids;

Whereas major drug store chains representing 17,300 stores nationwide have pulled ephedrine alkaloid-containing dietary supplements from their shelves; and

Whereas the largest specialty retailer of dietary supplements in the country, which has 5,300 stores nationwide, has pulled ephedrine alkaloids from its shelves: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That it is the sense of Congress that—

(1) the Secretary of Health and Human Services has authority under subsections (a) and (f) of section 402 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) to determine that dietary supplements containing ephedrine alkaloids—

(A) present a significant or unreasonable risk of illness or injury;

(B) pose an imminent hazard to public health or safety; or

(C) contain poisonous or deleterious substances that may render dietary supplements injurious to health;

(2) there is sufficient evidence to make such a determination; and

(3) the Secretary should take immediate action to remove dietary supplements containing ephedrine alkaloids from the marketplace.

**SENATE RESOLUTION 261—TO AUTHORIZE TESTIMONY, DOCUMENT PRODUCTION, AND LEGAL REPRESENTATION IN THE STATE OF COLORADO V. DANIEL RAPHAEL EGGER, SARAH JANE GERALDI, JENNIFER MELISSA GREENBERG, LISA GALE KUNKEL, BONNIE CATHERINE MCCORMICK**

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 261

Whereas, in the cases of State of Colorado v. Daniel Raphael Egger, Sarah Jane Gerald, Jennifer Melissa Greenberg, Lisa Gale Kunkel, Bonnie Catherine McCormack, pending in the Arapahoe County Court, Colorado, testimony and documents have been requested from an employee in the office of Senator Wayne Allard;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members of the Senate and their employees with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Stand-

ing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

*Resolved,* That employees of Senator Allard's office from whom testimony or the production of documents may be required are authorized to testify and produce documents in the cases of State of Colorado v. Daniel Raphael Egger, Sarah Jane Gerald, Jennifer Melissa Greenberg, Lisa Gale Kunkel, Bonnie Catherine McCormick, except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent Senator Allard and his staff in the actions referenced in section one of this resolution.

**SENATE RESOLUTION 262—TO ENCOURAGE THE SECRETARY OF THE TREASURY TO INITIATE EXPEDITED NEGOTIATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA ON ESTABLISHING A MARKET-BASED CURRENCY VALUATION AND TO FULFILL ITS COMMITMENTS UNDER INTERNATIONAL TRADE AGREEMENTS**

Ms. SNOWE (for herself, Mrs. DOLE, Mr. BAUCUS, Mr. GRAHAM of South Carolina, and Mr. BAYH) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 262

Whereas the currency of the People's Republic of China has been tightly pegged to the United States dollar at the same fixed level of 8.28 yuan to the dollar since 1994;

Whereas the Government of the People's Republic of China has significantly intervened in foreign exchange markets in order to hold the value of their currency within its tight and artificial trading band, resulting in enormous growth in China's dollar reserves, estimated to be over \$346,000,000,000 as of June 2003, an increase by 43 percent from June 2002;

Whereas the People's Republic of China has seen significant increases in production capability, productivity, and foreign direct investment since initially pegging the yuan to the dollar, which would generally lead toward upward pressure on the currency value;

Whereas this peg, in the face of growing pressure, clearly represents a manipulation of China's currency;

Whereas the undervaluation of China's currency distorts the value of exports from China and the price of foreign products for Chinese consumers;

Whereas the value of China's currency has had and continues to have a negative impact on the United States manufacturing sector, contributing to significant job losses and business closures;

Whereas the G-7 Finance Ministers and Central Bank Governors in September of this year stated that "more flexibility in exchange rates is desirable for major countries or economic areas to promote smooth and widespread adjustments in the international financial system, based on market mechanisms"; and

Whereas the market-based valuation of currencies is a key component to the health

of global trade and the stability of the world economy: Now, therefore, be it

*Resolved,* That the Senate—

(1) urges the Secretary of the Treasury to initiate expedited negotiations with the Government of the People's Republic of China, bilaterally or through the International Monetary Fund, for the purpose of ensuring a market-based exchange rate valuation to permit effective balance of payments adjustments and to eliminate the unfair advantage; and

(2) encourages the People's Republic of China to continue to act on its commitments to the trade rules and principles of the international community of which it is now a member.

Ms. SNOWE. Mr. President, I rise today to submit a Sense of the Senate resolution to encourage the Department of the Treasury to initiate expedited negotiations with the People's Republic of China on establishing a market-based currency valuation and to fulfill its commitments under international trade agreements.

The resolution explains why China's currency policy is an unfair manipulation which violates international trading rules and puts American manufacturers at a disadvantage. We cannot continue to allow this exploitation to continue to the detriment of our workers. Therefore, this resolution sends a strong message to the administration that we must increase our efforts to bring about a market-based valuation of China's currency.

In an open trading system, manipulation of currency—either by frequent intervention or by a calculated undervaluation of one's currency through a fixed exchange rate—undermines the concept of comparative advantage by creating market distortions. These disruptions not only affect trade but also result in the loss of real jobs for U.S. manufacturers. This is particularly devastating in my State, which has lost over 17,300 manufacturing jobs since July 2000.

Congress granted Permanent Normal Trade Relations (PNTR) for China because we knew that China would become a major player in international markets whether we wanted them to or not. After all, China already enjoyed total access to our market while we did not have the same benefit. Perhaps most importantly, we supported PNTR because a China in the World Trade Organization is bound by the same international trade rules as the United States or any of our other trading partners. While many were optimistic about the increased market access to the world's largest population, few dared to expect this to be an easy path.

I have heard from company after company who have had to face the reality that they can no longer compete with unfairly priced Chinese products. Some argue they were forced to close their doors because of China's low labor costs, and others argue it is the lack of labor and environmental regulations in China that makes us uncompetitive. However, the full extent of China's advantage is the combination of an artificially undervalued currency,